



General Assembly

January Session, 2021

Committee Bill No. 787

LCO No. 4583



Referred to Committee on VETERANS' AFFAIRS

Introduced by:
(VA)

***AN ACT EXEMPTING CERTAIN DISABLED VETERANS FROM
PROPERTY TAX.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 12-81 of the general statutes is amended by adding
2 subdivision (80) as follows (*Effective October 1, 2021, and applicable to*
3 *assessment years commencing on or after October 1, 2021*):

4 (NEW) (80) (A) The dwelling house, and the lot whereupon the same
5 is erected, owned by or held in trust for any person who is a citizen and
6 resident of this state, occupied as such person's domicile, shall be
7 exempt from local property taxation if such person (i) has served in the
8 Army, Navy, Marine Corps, Coast Guard or Air Force of the United
9 States, and (ii) has a disability rating by the United States Department
10 of Veterans Affairs amounting to one hundred per cent of total
11 disability.

12 (B) No individual shall receive any exemption to which he or she is
13 entitled under this subdivision until he or she has complied with section
14 12-95 and has submitted proof of his or her disability rating, as
15 determined by the United States Department of Veterans Affairs, to the

16 assessor of the town in which the exemption is sought. If there is no
17 change to an individual's disability rating, such proof shall not be
18 required for any assessment year following that for which the
19 exemption under this subdivision is granted initially.

20 Sec. 2. Subdivision (20) of section 12-81 of the general statutes is
21 repealed and the following is substituted in lieu thereof (*Effective October*
22 *1, 2021, and applicable to assessment years commencing on or after October 1,*
23 *2021*):

24 (20) Subject to the provisions hereinafter stated, property not
25 exceeding three thousand five hundred dollars in amount shall be
26 exempt from taxation, which property belongs to, or is held in trust for,
27 any resident of this state who has served, or is serving, in the Army,
28 Navy, Marine Corps, Coast Guard or Air Force of the United States and
29 (1) has a disability rating by the United States Department of Veterans
30 Affairs amounting to ten per cent or more of total disability, provided
31 such exemption shall be two thousand dollars in any case in which such
32 rating is between ten per cent and twenty-five per cent; two thousand
33 five hundred dollars in any case in which such rating [is] amounts to
34 more than twenty-five per cent but not more than fifty per cent; three
35 thousand dollars in any case in which such rating [is] amounts to more
36 than fifty per cent but not more than seventy-five per cent; and three
37 thousand five hundred dollars in any case in which such person has
38 attained sixty-five years of age or such rating [is] amounts to more than
39 seventy-five per cent but less than one hundred per cent; or (2) is
40 receiving a pension, annuity or compensation from the United States
41 because of the loss in service of a leg or arm or that which is considered
42 by the rules of the United States Pension Office or the Bureau of War
43 Risk Insurance the equivalent of such loss. If such veteran lacks such
44 amount of property in his or her name, so much of the property
45 belonging to, or held in trust for, his or her spouse, who is domiciled
46 with him or her, as is necessary to equal such amount shall also be so
47 exempt. When any veteran entitled to an exemption under the
48 provisions of this section has died, property belonging to, or held in

49 trust for, his or her surviving spouse, while such spouse remains a
50 widow or widower, or belonging to or held in trust for his or her minor
51 children during their minority, or both, while they are residents of this
52 state, shall be exempt in the same aggregate amount as that to which the
53 disabled veteran was or would have been entitled at the time of his or
54 her death. No individual entitled to exemption under this subdivision
55 and under one or more of subdivisions (19), (22), (23), (25) and (26) of
56 this section shall receive more than one exemption. No individual shall
57 receive any exemption to which he or she is entitled under this
58 subdivision until he or she has complied with section 12-95 and has
59 submitted proof of his or her disability rating, as determined by the
60 United States Department of Veterans Affairs, to the assessor of the
61 town in which the exemption is sought. If there is no change to an
62 individual's disability rating, such proof shall not be required for any
63 assessment year following that for which the exemption under this
64 subdivision is granted initially. If the United States Department of
65 Veterans Affairs modifies a veteran's disability rating, such
66 modification shall be deemed a waiver of the right to such exemption
67 until proof of disability rating is submitted to the assessor and the right
68 to such exemption is established as required initially. Any person who
69 has been unable to submit evidence of disability rating in the manner
70 required by this subdivision, or who has failed to submit such evidence
71 as provided in section 12-95, may, when he or she obtains such evidence,
72 make application to the collector of taxes within one year after he or she
73 obtains such proof or within one year after the expiration of the time
74 limited in section 12-95, as the case may be, for abatement in case the tax
75 has not been paid, or for refund in case the whole tax has been paid, of
76 such part or the whole of such tax as represents the service exemption.
77 Such abatement or refund may be granted retroactively to include the
78 assessment day next succeeding the date as of which such person was
79 entitled to such disability rating as determined by the United States
80 Department of Veterans Affairs, but in no case shall any abatement or
81 refund be made for a period greater than three years. The collector shall,
82 after examination of such application, refer the same, with his

83 recommendations thereon, to the board of selectmen of a town or to the
84 corresponding authority of any other municipality, and shall certify to
85 the amount of abatement or refund to which the applicant is entitled.
86 Upon receipt of such application and certification, the selectmen or
87 other duly constituted authority shall, in case the tax has not been paid,
88 issue a certificate of abatement or, in case the whole tax has been paid,
89 draw an order upon the treasurer in favor of such applicant for the
90 amount without interest which represents the service exemption. Any
91 action so taken by such selectmen or other authority shall be a matter of
92 record and the tax collector shall be notified in writing of such action;

93 Sec. 3. Section 12-81g of the general statutes is repealed and the
94 following is substituted in lieu thereof (*Effective October 1, 2021, and*
95 *applicable to assessment years commencing on or after October 1, 2021*):

96 (a) Effective for the assessment year commencing October 1, 1985,
97 and each assessment year thereafter, any person entitled to an
98 exemption from property tax in accordance with subdivision (19), (20),
99 (21), (22), (23), (24), (25) or (26) of section 12-81, reflecting any increase
100 made pursuant to the provisions of section 12-62g, shall be entitled to
101 an additional exemption from such tax in an amount equal to twice the
102 amount of the exemption provided for such person pursuant to any
103 such subdivision, provided such person's qualifying income does not
104 exceed the applicable maximum amount as provided under section
105 12-81l, except that if such person has a disability rating [of] amounting
106 to one hundred per cent as determined by the United States Department
107 of Veterans Affairs, [the total of such adjusted gross income,
108 individually, if unmarried, or jointly, if married, in the calendar year
109 ending immediately preceding the assessment date with respect to
110 which such additional exemption is allowed, is not more than
111 twenty-one thousand dollars if such person is married or not more than
112 eighteen thousand dollars if such person is not married] such person
113 shall be exempt from property taxation under subdivision (80) of section
114 12-81, as amended by this act.

115 [(b) (1) Effective for the assessment year commencing October 1, 2013,
116 and each assessment year thereafter, any municipality may, upon
117 approval by its legislative body or, in any town in which the legislative
118 body is a town meeting, by the board of selectmen, provide that, in lieu
119 of the additional exemption prescribed under subsection (a) of this
120 section, any person entitled to an exemption from property tax in
121 accordance with subdivision (20) of section 12-81, reflecting any increase
122 made pursuant to the provisions of section 12-62g, who has a disability
123 rating of one hundred per cent, as determined by the United States
124 Department of Veterans Affairs, shall be entitled to an additional
125 exemption from such tax in an amount equal to three times the amount
126 of the exemption provided for such person pursuant to subdivision (20)
127 of section 12-81, provided such person's total adjusted gross income as
128 determined for purposes of the federal income tax, plus any other
129 income not included in such adjusted income, excluding veterans'
130 disability payments, individually if unmarried, or jointly with spouse if
131 married, during the calendar year ending immediately preceding the
132 filing of a claim for any such exemption, is not more than twenty-four
133 thousand dollars if such person is married or not more than twenty-one
134 thousand dollars if such person is not married.

135 (2) The provisions of this subsection shall not limit the applicability
136 of the provisions of subsection (a) of this section for persons not eligible
137 for the property tax exemption provided by this subsection.]

138 [(c)] (b) Any claimant who, for purposes of obtaining an exemption
139 under this section, wilfully fails to disclose all matters related thereto or
140 with intent to defraud makes any false statement shall forfeit the right
141 to claim such additional veteran's exemption.

142 [(d)] (c) Effective for the assessment year commencing October 1,
143 1986, and each assessment year thereafter, any person entitled to an
144 exemption from property tax in accordance with subdivision (19), (20),
145 (21), (22), (23), (24), (25) or (26) of section 12-81, reflecting any increase
146 made pursuant to the provisions of section 12-62g, and who is not

147 receiving or is not eligible to receive the additional exemption under
148 subsection (a) [or (b)] of this section, shall be entitled to an additional
149 exemption from such tax in an amount equal to one-half of the amount
150 of the exemption provided for such person pursuant to any such
151 subdivision.

152 [(e)] (d) The state shall reimburse each town, city, borough,
153 consolidated town and city and consolidated town and borough by the
154 last day of each calendar year in which exemptions were granted to the
155 extent of the revenue loss represented by the additional exemptions
156 provided for in [subsections (a) and (b)] subsection (a) of this section.
157 The Secretary of the Office of Policy and Management shall review each
158 claim for such revenue loss as provided in section 12-120b. Any claimant
159 aggrieved by the results of the secretary's review shall have the rights of
160 appeal as set forth in section 12-120b. In the fiscal year commencing July
161 1, 2003, and in each fiscal year thereafter, the amount payable to each
162 municipality in accordance with this section shall be reduced
163 proportionately in the event that the total amount payable to all
164 municipalities exceeds the amount appropriated.

165 [(f)] (e) Any person who has submitted application and been
166 approved in any year for the additional exemption under subsection (a)
167 [or (b)] of this section shall, in the year immediately following approval,
168 be presumed to be qualified for such exemption. If, in the year
169 immediately following approval, such person has qualifying income in
170 excess of the maximum allowed under subsection (a) [or (b)] of this
171 section, such person shall notify the tax assessor in the town allowing
172 the additional exemption on or before the next filing date for such
173 exemption and shall be denied such exemption for the assessment year
174 immediately following and for any subsequent year until such person
175 has reapplied and again qualified for such exemption. Any person who
176 fails to notify the tax assessor of such disqualification shall make
177 payment to the town in the amount of property tax loss related to the
178 exemption improperly taken. Not more than thirty days after
179 discovering such person's ineligibility for the exemption, the assessor

180 shall send written notification of such person's identity to the Secretary
181 of the Office of Policy and Management. If any payment was remitted
182 under subsection [(e)] (d) of this section with respect to a period for
183 which such person was not eligible for the exemption, the amount of the
184 next payment made to the town shall be reduced by the amount of
185 payment made erroneously.

186 [(g)] (f) The Secretary of the Office of Policy and Management shall
187 adopt regulations, in accordance with the provisions of chapter 54,
188 establishing: (1) A procedure under which a municipality shall
189 determine eligibility for any additional exemptions under subsections
190 (a) [, (b) and (d)] and (c) of this section, provided such procedure shall
191 include a provision that when an applicant has filed for either of such
192 exemptions and received approval for the first time, such applicant shall
193 be required to file for such exemption biennially thereafter, subject to
194 the provisions of subsection [(f)] (e) of this section; (2) the manner in
195 which a municipality shall apply for reimbursement from the state for
196 the revenue loss represented by the additional exemptions provided for
197 in [subsections (a) and (b)] subsection (a) of this section, which shall
198 provide a penalty for late filing of such application for reimbursement
199 of two hundred fifty dollars, but shall also provide that the secretary
200 may waive such forfeiture in accordance with procedures and standards
201 contained in such regulations; and (3) the manner in which the Office of
202 Policy and Management may audit and make adjustments to
203 applications for reimbursement from municipalities for a period of not
204 more than one year next succeeding the deadline for such application.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2021, and applicable to assessment years commencing on or after October 1, 2021</i>	12-81

Sec. 2	<i>October 1, 2021, and applicable to assessment years commencing on or after October 1, 2021</i>	12-81(20)
Sec. 3	<i>October 1, 2021, and applicable to assessment years commencing on or after October 1, 2021</i>	12-81g

Statement of Purpose:

To exempt any veteran with a disability rating from the United States Department of Veterans Affairs amounting to one hundred per cent from property tax on such veteran's dwelling house and lot used as his or her domicile.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]

Co-Sponsors: SEN. KELLY, 21st Dist.

S.B. 787